

State Brand Board
Minutes of the Meeting
April 20, 2010

The South Dakota State Brand Board met on April 20, 2010 at the State Brand Board office in Pierre, SD. Chairman Mark Kimball called the meeting to order at 10:30 a.m. Members present were Wanda Blair, Tom Conger, Mark Kimball, Bart Blum and Curt Mortenson. Others present were Harold Deering, Larry Stearns, Wray Shouldis, Shorty Zilverberg, Karen Webber-Boyer, Blair Dunn, Ted Thompson, Kenny Fox, Jeff Wilson and Lynne Valenti.

Blair moved that the agenda be adopted. Mortenson seconded the motion which passed.

Blair moved and Conger seconded the motion that the minutes for the January 27, 2010 meeting be approved. Motion carried.

Director's Report: Stearns reported that in January, 2010, there were 65 applications, 2 approved applications, 7 new brands, 103 transfers and 2 brand books sold. In February, there were 57 applications, 4 approved applications, 28 new brands, 233 transfers and 8 brand books sold. For March 2010, there were 88 applications, 0 approved applications, 13 new brands, 269 transfers and 2 brand books sold. To date in April 2010 there have been 2 applications, 1 approved applications, 2 new brands, 88 transfers and 0 brand books sold.

Included in the meeting packet were:

1. The Jan - Mar 2009 reports of expenses, revenues and cash balances for the Brand Board.
2. Directors Report
3. Investigator's Report.
4. Brand Inspection Report.

The director announced that Shawn Bowles, the Brand Secretary, had a baby girl on March 1. We have completed the review of grazing (trailing) permits that come up for renewal this winter. We have scanned nearly 65,000 tallys in the office. It is going slower because of brand renewals. We have around 18,625 renewals processed with more coming in daily. We don't have addresses or telephone numbers of 80 individuals. They are listed on the Brand Board website in an attempt to locate them. We sent out a press release two weeks ago that had a great response and are lowering that number by one or two per day. Shorty Zilverberg has been elected as President of the Western States Livestock Investigators Association in Reno last month. Loren Lehmann retired as a full-time inspector March 23. Walt Brindley has taken his place in Belle Fourche. A letter was sent to the LMA members in the West River and the open markets explaining the obligations of the market when paying out holds. Livestock Marketing Association (LMA) is meeting at the Ramkota in Sioux Falls on May1, 2010. Mortenson will speak to the group if he is unable to brand that day. A letter will be sent to put in the packet in case no one can attend. Letters have been sent to Black Hills horse camps about the horse travel permits and received several acknowledgements back. Shouldis, Zilverberg and the director have attended 3 supervisor trainings since the last meeting and have one other scheduled in May. We are waiting for the dates for several others.

Investigators Report: Zilverberg reported that in January, 2010, there were 12 total cases reported. Of these, there was one stolen case, 2 were missing cases, 0 stray cases, 2 violation cases, and 7 complaint/info cases. Five cases are still active. One head of livestock was reported stolen and 2 head missing with no stray cases. Two cases were reported by office personnel, two were reported by brand inspectors, one by a witness, four by victims, and three by other agencies. He reported that there was one

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horse recovered by the owner, and none by investigation. He reported that in February 2010, there were 7 total cases reported. Of these, there were no stolen cases, 1 was a missing cases, 0 estray cases, 3 violation cases, and 3 complaint/info cases. One case is still active. No livestock was reported stolen and 4 head were reported missing with no estray cases. Five cases were reported by office personnel, one was reported by brand inspectors, none by witnesses, one by victims, and none by other agencies. Zilverberg reported that there was no livestock recovered by the owner, and 4 still missing. For March 2010, there were 8 total cases reported. Of these, there was one stolen case; none were missing cases; no estray cases; 1 violation case; and 6 complaint/info cases. Five cases are still active. Eleven head of livestock were reported stolen. One case was reported by office personnel, three were reported by brand inspectors, none by a witness, two by victims, and two by other agencies. He reported that there were no livestock recovered.

Zilverberg also reported on the status of several new and some older cases.

Chief Brand Inspector's Report: Shouldis reported that for January 2010, we had 89,243 head inspected in the sales barns; 350 in locker plants; 23,803 local inspections for a total of 113,396 head and 1,128 head held for proof of ownership. February 2010 had 82,696 at livestock markets, 352 at lockers, 33,229 local inspections for a total of 116,277 with 1,822 held for proof of ownership. In March 2010, there were 60,707 head at markets, 334 at lockers and 29,556 we inspected locally for a total of 90,597 head with 2,632 held for proof of ownership.

In January 2010, there were 6 holds for \$3,160.33 consisting of 3 cows, 2 heifers, 1 calf, 2 steers, and 1 horse received into the brand office. For February 2010, 4 holds for \$2,065.69 came into the office consisting of 5 cows. Coming into the office in March 2010 were 6 holds for \$33,184.57. They consisted of 27 cows and 17 bulls. Eighteen strays were recovered in January; 9 cows, 2 calves, 3 steers and 4 heifers. Thirteen strays were returned in February; 4 cows, 3 calves, 5 steers and 1 heifer. For March 2010, 5 strays were returned; 2 cows, 1 steer and 2 heifers. Since the last meeting, twelve holds were paid out for \$23,263.84. These consisted of 11 cows, 1 heifer, 1 calf, 1 steer and 17 bulls.

Mortenson asked how he thought the numbers would play out for the year. Shouldis said that he thought that the numbers in the country were lower, but the runs at the barns are still pretty good. Ted Thompson added that the cow numbers in the state were down, but that a lot were coming in from the west where it is dryer. Kimball said that the numbers are down in his area and that there were not many heifers being held. A lot of pasture is being plowed up for cropping. Blair said that there was a lot of grass in her area and many heifers were being held. Conger felt that is will be a matter of economics, dependent on cost of production and banker's concerns.

Financial Report: Stearns presented the status of the finances and talked about the remainder of the year. The Board held a brief discussion.

Hold Hearing BB036: A no brand longhorn bull sold as an estray in St. Onge. Conger moved to escheat \$468.36 to the Theft and Prevention Fund. This motion was seconded by Blair and passed. A letter is to be sent to Mr. Mraz to give him one year to claim this bull.

Hold Hearing BB062: A non-recorded brand stallion that was no-saled at Winner Livestock. This hold was informational as no funds were held.

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Hold Hearing BB046: Two no-brand mules sold at Philip Livestock. No one came forward to claim the \$.86 that the mules brought. Conger moved and Blum seconded the motion to escheat the proceeds to the Theft and Prevention Fund. Motion carried.

Hold Hearing BB035: A black cow sold in Presho carrying 4 brands none of which were registered in South Dakota. This hold was tabled for further investigation.

Hold Hearing BB024: A black cow with an unreadable brand sold in Mitchell SD. As no ownership could be established, Mortenson moved and Blair seconded the motion to escheat \$512.16 to the Theft and Prevention Fund. Mortenson suggested that a letter be sent to the finders of the estray thanking them for their honesty. The director said that one had already been sent.

Highway Signage: This item was tabled as the DOT has been too busy with flooded roads in SD this spring to look into the proposed joint-powers agreement.

Open Comment: Ted Thompson complimented the Board and staff on a good job done since assuming the brand inspection duties. He also stated that he felt that brand inspection is a vital part of the industry. It keeps people honest and returns stray to the rightful owner.

The meeting recessed for lunch at 11:50 and resumed at 1:00 pm.

Order Buyers' Request: Ted Thompson presented a request to the Board on behalf of the SD Licensed and Bonded Order Buyers to look at the possibility of allowing licensed and bonded order buyers to be able to transfer cattle purchased for a buyer, yet to be named, using a stamp or signing on the back of the of the market clearance made out to the licensed buyer. Thompson gave several examples how this could work using the buyers license number, name and address. A discussion followed about conditions for use, possible consequences for abuse of the privilege and providing a paper trail to the Brand office. While allowing this type of privilege is consistent with existing state statutes, it would require adopting administrative rules and would be the subject to a rules hearing on whether the Board should do so. The Director, Chief Brand Inspector and Brand Board counsel will work on suitable language and bring it back to the next meeting. Dr. Oedekoven from the Animal Industry Board will be asked for input.

Receipt of Sales Request: The inspectors have requested that the notice be posted at livestock auction markets where market clearances will be issued exactly as the name appears on the Buyers Invoices. If the buyer wants another name on the clearance, the order buyers name would appear first along with the name they wish to have added. After a short discussion the item was tabled for further clarification.

Fairbanks Letter: George Fairbanks submitted a letter to the Board suggesting measures that could be taken to check livestock theft in the Winner area, including checking with east river livestock auction markets to see what paperwork is accompanying the west river livestock. Blum said that he had visited with Mr. Fairbanks last fall and encouraged him to write to the Board. Conger related what happen in the legislature several years back when legislation to require record keeping on west river cattle at east river markets was rapidly defeated in committee. Mortenson suggested that local sheriffs to be watchful. A letter will be sent to Mr. Fairbanks that his request is taken seriously and actions will be taken.

Kjerstad Cattle Company Letter: Kjerstad Cattle Company has requested that they no longer be considered a registered feedlot. Their business plan has changed and they are not feeding cattle to market weight any longer. The Board directed the director to write a letter to the feedlot informing them that

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they will no longer be considered a registered and any livestock leaving the feedlot that is going slaughter will need to be inspected going out of the feedlot.

Bad Check Charge: Conger moved that the brand office be allowed to invoke a charge of \$30 per check for any bad checks issued for to the Brand office. Mortenson seconded the motion which carried. The brand office will have to follow procedures as proscribed in SD statutes.

The meeting recessed at 2:15 for a board director training session with Lynne Valenti and Jeff Wilson from the Bureau of Personnel.

The next meeting is set for Thursday, May 27th at 10:30 am CDT at the Brand Office.

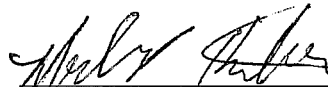
Mortenson moved and Blum seconded the motion to adjourn at 3:40 p.m.

Respectfully submitted,

Larry Stearns



Director



President

These minutes were filed for the record on 5-27-10.